



Agenda

Special
Finance Committee Meeting
May 1, 2007 – 5:15 p.m.
City Council Chambers

CITY CLERK'S OFFICE

DATE 4-27-07 TIME 2:45 pm

SERVED BY Uplanda Green

RECEIVED BY Lorraine Gallego

1. CALL TO ORDER
2. ROLL CALL
3. APPROVAL OF AGENDA
4. CONTINUATION OF FISCAL YEAR 2007/08 OPERATING BUDGET REVIEW:
 - A. UPDATE OF INFORMATION FROM PREVIOUS SESSION
 - B. WRAP-UP, SUMMARY, DISCUSSION AND RECOMMENDATIONS
5. REQUEST FOR APPROVAL OF CITY MANAGER'S RECOMMENDED FISCAL YEAR 2007/08 OPERATING BUDGET AS AMENDED
6. PUBLIC COMMENTS
7. ADJOURNMENT

Interpreter for hearing impaired is available through the City Clerk's office upon 5 days notice.

**SUMMARY OF ACTION
SPECIAL FINANCE COMMITTEE MEETING
Tuesday, May 1, 2007**

<u>ITEM</u>	<u>ACTION</u>	<u>PAGE</u>
CALL TO ORDER	Quorum	1
APPROVAL OF AGENDA	Previously Approved	1
<u>DISCUSSION AGENDA</u>		
REQUEST FOR APPROVAL OF THE CITY MANAGER'S RECOMMENDED OPERATING BUDGET FOR FISCAL YEAR 07/08 POLICE	No action	2-3
REQUEST FOR APPROVAL OF THE CITY MANAGERS RECOMMENDED REORGANIZATION PLAN FOR CITY OF SANTA FE	Approved [amended]	3-10
REQUEST FOR APPROVAL OF THE CITY MANAGER'S RECOMMENDED OPERATING BUDGET FOR FISCAL YEAR 07/08		
SUPPLEMENTAL INFORMATION	Provided 04/30/07	10
ECONOMIC DEVELOPMENT	Approved [amended]	10-14
PLANNING & LAND USE	Postponed to 5/10/07	14
ADMINISTRATIVE SERVICES	Approved [amended]	14-15
FINANCE	Postponed to 5/10/07	16
HUMAN RESOURCES	Postponed to 5/10/07	16
FIRE	Approved 04/30/07	16
PUBLIC WORKS	Approved [amended]	16-18
COMMUNITY SERVICES		
GCCC – Rates	Action postponed to 5/10/07	18-22
Seniors	Approved [amended]	22-24
CSF GOVERNMENT TELEVISION	Postponed to 05/10/07	24
WATER	Approved [amended]	24-27
MATTERS FROM THE COMMITTEE	None	27
ADJOURNMENT	Adjourned to 5/10/07	27-28

**MINUTES OF THE
CITY OF SANTA FE
SPECIAL FINANCE COMMITTEE MEETING
Tuesday, May 1, 2007**

1. CALL TO ORDER

A special meeting of the City of Santa Fe Finance Committee was called to order by Chair Karen Heldmeyer, at 5:15 p.m., on Tuesday, May 2, 2007, in the Council Chambers, City Hall, 200 Lincoln Avenue, Santa Fe, New Mexico.

2. ROLL CALL

MEMBERS PRESENT:

Councilor Karen Heldmeyer, Chair
Councilor Christopher Calvert
Councilor Carmichael Dominguez
Councilor Matthew Ortiz
Councilor Rebecca Wurzbarger

OTHERS ATTENDING:

Kathryn Raveling, Finance Director
Yolanda Green, Finance Division
Melessia Helberg, Stenographer.

There was a quorum of the membership in attendance for the conducting of official business.

NOTE: All items in the Committee packets for all agenda items are incorporated herewith by reference. The original Committee packet is on file in the Finance Department.

3. APPROVAL OF AGENDA

The Committee continued with the unfinished items on the Finance Committee Agenda of April 30, 2007, which was approved by the Committee on April 30, 2007.

It was the consensus among the Committee to ask Water staff to stay for discussion and questions from the Committee.

Chair Heldmeyer said for clarification, it was always the intention of the Finance/Budget Committee to ask specific questions of specific departments, and she thought that had been communicated, and it wasn't intended to be an ambush. In fact, she presumed everybody knew what was going to be done.

DISCUSSION AGENDA

Chair Heldmeyer said the procedure today is to hear from the Police Department, then talk about the reorganization, and then follow the order of things in Item #36 from yesterday's agenda.

A copy of "Responses to Questions from Finance Committee," dated April 30, 2007, is incorporated herewith to these minutes as Exhibit "1."

36. REQUEST FOR APPROVAL OF THE CITY MANAGER'S RECOMMENDED OPERATING BUDGET FOR FISCAL YEAR 07/08. (KATHRYN RAVELING)

B. POLICE

Chair Heldmeyer asked if this is the last installment of the purchase of the video cameras.

Chief Johnson said they are just starting to transition over. Currently, the old VHS systems are in the police units, are obsolete and can't be repaired because replacement parts are no longer available. He said this purchase is the first of the purchases for 108 cameras.

Responding to Councilor Calvert, Chief Johnson said the \$190,000 will purchase roughly 40.

Responding to Councilor Calvert, Ms. Raveling said \$100,000 was set aside for all software and hardware purchases for Police.

Responding to Councilor Heldmeyer, Ms. Raveling said there has been a lot of discussion on the cost of the computers for the vehicles, and if they truly are \$6,000, we can purchase more than 15.

Chief Johnson noted these will be purchased through the State price agreement, and it will take about three years to make the full purchase. He is still waiting to see the State funding amounts. "That will get us a good start and hopefully we will be able to receive more funding from the State as well to continue with the program." He said either way, he wants to move forward with this purchase.

Responding to the Chair, Chief Johnson said at this time he remains optimistic that we will receive funding. He said we are still going through the process, and having continuous meetings with the State Records Executive Oversight Committee, so it is all in the works and he is just waiting to what will happen.

Councilor Calvert asked if funds have been allocated and set aside for this purpose. Chief Johnson said it has, and the money will be split between the pilot agencies.

No action was taken by the Committee at this time with regard to the Police Department budget.

35. REQUEST FOR APPROVAL OF REORGANIZATION PLAN FOR CITY OF SANTA FE. (GALEN BULLER, CITY MANAGER)

A copy of a Memorandum dated April 9, 2007, with attachments, to the Public Works Committee, from Galen Buller, City Manager, regarding Reorganization Plan Recommendation, is incorporated herewith to these minutes as Exhibit "2."

A copy of an organizational chart distributed by staff, is incorporated herewith to these minutes as Exhibit "3."

Mr. Buller said there are two versions of the reorganization. One with the consolidation of Planning into a new department, the other as close as possible to what currently exists. He agrees with the Chair that to nail down the rest of the budget, we need to move forward with reorganization.

MOTION: Councilor Wurzbarger moved, seconded by Calvert for purposes of discussion, to accept Chart 3, "what Galen calls Chart 2, [asking him to hold it up for the benefit of the group], which is the last page, the last one which has a new department called Housing and Community Development with Alternative Energy and Long Range Planning without Historical Review, Affordable Housing and Enterprise Work Force Development which she believes should be called Economic Development, and under Long Range Planning, it would include RPA as we discussed as well as the MPO activity [See Exhibits "2" and "3"]."

DISCUSSION: Chair Heldmeyer asked Councilor Wurzbarger to briefly outline the changes from what is on Galen's page.

Councilor Wurzbarger said, "The only change, being the last page, Councilor, the only change is that I have put in RPA and MPO under Long Range Planning, so they are clearly identified as having a location, which they currently don't. There was no change to the overall structure in terms of divisions."

Responding to Councilor Dominguez Mr. Buller said, "The first sheet and the next to the last sheet are the same organization. The difference is that I put all of the departments on one line on the front sheet, so it was easier to see that they were all at the same level. The problem is they gave us small print, so I also did it where they're not all on the same one, that's the second to the last sheet, with bigger print, but they're on two lines. The last sheet, the one that Councilor Wurzbarger is talking about, is the second, what I call the second alternative."

Councilor Wurzbarger said the only discussion she would add is that she has met with Galen on "this" and he is comfortable with that change. Mr. Buller said, "I agree that the MPO and RPA haven't had a clearly defined home, so that makes sense to me."

Councilor Calvert said, "I guess I would like to hear comments on the possibility, from Councilors, staff and affected departments, about creating a Transportation Department with Parking, Transit and the Airport in there and splitting that off from Public Works, without adding any more bureaucracy than is already there."

Robert Romero, Public Works Director, said things are operating fine now. However, in the future, when the Railrunner gets here, the two new garages are open, we get Airport Class I certification, and if all those enterprise funds grow because of that, maybe there will be a time in the future that he would like to do this. For now, he believes things are operating fine, but if it is the Council's wish to move those three apart into one new Department, that would be fine, and he will make it work. He believes there currently is good communication between the divisions. He noted that the marketing people for Parking and Transit work in the same office.

Councilor Calvert wants planning to begin right now in this regard.

Mr. Romero said they are doing this now, noting this year in the budget, there is a new section within the Parking Division called Transportation.

Councilor Calvert believes there will be more interaction in this budget year, and we need to start working on the Railyard, parking, the shuttles and all. He would like those entities, especially Parking and Transit to be working very closely. He would like to hear from the people in those Divisions.

Responding to the Chair, Mr. Romero noted he submitted two organizational charts, one with an Enterprise Fund Director and one without. He said at one time there was discussion that perhaps he had too much to do and couldn't handle it. One of the thoughts was to have a position between him and those divisions to give him some help. However, he believes things are fine and there are timely responses. He said personally, he would prefer that it would be a different department, rather than having someone between him and the other divisions. He said that position isn't in the budget.

Jim Montman, Airport Director, said he agrees with Robert. He said the hybrid won't work, and he is totally against it. He said it would create problems at the leadership level and in union contracts in terms of discipline and grievance and who deals with what at the division and department level. The Enterprise Fund Director would have no say in any of the union things, and would be bypassed, or if the divisions were reduced to sections, he would have to deal with everything. He said the three divisions are doing well. If these are separated, they should be departments, separate divisions, noting one of the department heads could run one of the divisions to provide economy.

Bill Hon, Parking Director agrees. He feels strongly there needs to be a clear separation between Parking and Transit because Transit operates the City bus system. He envisions a new Transportation Section in the Parking Division which would be tied into the downtown shuttle itself – the downtown circulators. The intent of the new Transportation Section within the Parking Division is to be able to utilize those individuals without additional cost, because he can move them over from existing people when we lose lease agreements from the Archdiocese. They can be used as circulator drivers and to run the circulator system. This would be totally separate from the transit system, although it would tie into it.

Councilor Calvert said there should be interconnectivity between the two divisions. To the extent possible, he would like to utilize the existing transit system to do as much of the movement as possible, as opposed to setting up separate systems. This is why he likes idea of a Transportation Department. He said there will be issues of how to get people from the Airport to other places. It seems to fit as a unit, but he is not wedded to the idea.

Jon Bulthuis said he agrees with what has been said and believes the current organizational structure is working well. He has had good opportunities to address ideas given this structure, and from his perspective, he sees no need for change in organizational structure. With regard to Mr. Hon's comments regarding the work he does now and is proposing to undertake related to transportation, there are benefits in offering the City the opportunity provide special services which his Division can't do. There is a good interplay within the Public Works Department.

Councilor Ortiz asked what kinds of efficiencies will be gained from the reorganization – what commonalities and efficiencies will result in having these separately or keeping them together. He said when this was discussed last year, we were told it was to improve constituency service and improve operations. This was the reason Public Works got Parks and some of these divisions.

Mr. Romero said the only thing added was Parks, noting these three have always been in Public Works. At one time, Solid Waste was part of Public Works. These three divisions operate well on their own and could be their own department. He said, because Parking is part of Public Works, when there is a problem and no one else can do it, he can use these resources to get the job done. He asked if there are complaints about the Department, and if it is better or worse from their perspective. Although it is a big Department, it is working well.

Councilor Ortiz asked what are the efficiencies in having Parks under Public Works and having Recreation under Community Services.

Mr. Romero said Public Works has always worked with all facilities in getting improvements and other things done, but has never been involved with the operations. He spoke with Fabian Chavez about this. Mr. Chavez told him if these were combined, a separate person would be needed to run that portion, and he feels these are separate functions.

Responding to Councilor Ortiz, Mr. Romero said the MRC is in Public Works, and the GCCC is

under community services. The reason MRC was left in Public Works is because it is a big turf management issue and it made sense that Parks would oversee turf management issues at the MRC.

Councilor Ortiz asked, if Parks and Recreation were back together again, if he would have been able to utilize the employees in the Parks Division to address, for example the big snow.

Mr. Romero said it is hard to say. He said he wouldn't have been able to make one phone call to send 20 people to help fill potholes on a particular day, for example.

Councilor Ortiz said this is a good argument for efficiencies to keep Parks under Public Works.

Councilor Ortiz asked Terrie Rodriguez the benefit to the City of keeping the recreational facilities in Community Services.

Responding to Councilor Dominguez, Mr. Romero said when Frank Archuleta was with the City, he was the Project Manager for the GCC. He said Bob Siqueiros assumed that responsibility about six months ago, and believes this is now working well. He said, with regard to the GCCC, Public Works is good at getting improvements done, getting contracts and such. However, he said they aren't involved in scheduling. He believes the current system is working well.

Responding to Councilor Ortiz, Mr. Romero said part of the current reorganization calls for Special Events to come back to Public Works as a part of Parks Division.

Councilor Ortiz asked Ms. Rodriguez about moving recreation facilities to Public Works.

Ms. Rodriguez said this is the prerogative of the City. However, the operations of those facilities and the things planned in those facilities and the special events have been coordinated well through the Community Services Department. It has been beneficial to Community Services to have that direct control and operation of the facilities and the uses that happen in those facilities. There are two separate things – things that happen in the facilities and what happens to maintain the facilities.

Councilor Ortiz agrees that programming is best served in Community Services, but in terms of actual operation of the facilities, asked if the City would gain efficiencies by putting them under Public Works.

Ms. Rodriguez doesn't know what efficiencies are to be gained. What does work well is that staff is able to have those things happen in those facilities without so much red tape. The services in those facilities are subsidized by City government, and to keep those things functioning at the level which provides the best level of service, this function should be in Community Services. If you want the operation of the buildings and the facilities to be used more efficiently, more economically, perhaps it should be under Public Works.

Chair Heldmeyer asked Mr. Buller if he considered moving recreational facilities to Public Works when he drew up his organizational chart. Mr. Buller said he didn't consider separating those facilities from Community Services. He said there are lots of ways to slice it up. He said he had always felt that those facilities and scheduling of those to be a natural for Community Services, and something he didn't want to change since it was working well.

Responding to Councilor Dominguez, Ms. Rodriguez said the status of the improvements at GCCC will be presented to the Public Works Committee at its next meeting, noting status reports have been provided to the City Manager on a weekly basis.

Mr. Romero said most of the work is under contract or completed, and other work will be happening very soon is done, and most of the money has been spent. He said they spent less money than anticipated, and he will be coming before Finance very soon as to how to allocate the unused funds.

Councilor Calvert said he is convinced by Mr. Romero that he has more flexibility in keeping the three divisions under Public Works. However, as we move forward and some of the new initiatives come forward, he would like Mr. Romero to advise the Committee if things need to change, or if it becomes too much for him to manage.

Councilor Calvert said, with regard to Community Services, he believes it is good Robert will help maintain the facilities from an engineering standpoint, but the facilities are better left under Community Services.

Responding to the Chair, Mr. Romero said the majority of the 115 engineers listed in the Engineering Division are crossing guards.

Chair Heldmeyer said one of the reasons she supported moving Parks to Public Works is that there was a huge disconnect between Engineering and Parks, and although it is getting better, it isn't yet totally connected, and there is still some lack of communication.

Mr. Romero said he is developing all of the new parks projects at Parks, and the staff developing those are there. However it didn't make sense to transfer over some of the older projects on which Chip and Mary had been working. In the future, however, all parks projects will be developed at Parks with that staff, remarking that there are some growing pains in this process.

Chair Heldmeyer said Santa Fe Beautiful is currently under Parks. She said that program needs more direct supervision, and the proposed change needs to happen quickly, noting it is easier to prevent problems from happening than to deal with them after they happen.

Councilor Ortiz clarified that the Special Events Crew is in Community Services which schedules all of the recreation leagues in all park spaces. If it is not to be moved over, which Division does that belong under, noting that should be under Parks.

Ms. Rodriguez said scheduling of the fields is done by Barbara Lopez in Special Events, Community Services, noting there is a crew of 5-7 people.

Councilor Ortiz clarified that all of those people under the proposed reorganization being considered will be under Public Works under Parks Division.

Ms. Rodriguez said this is correct, noting they do want to keep that connection, because they are used quite a bit for the special events – Halloween, Easter, and those things which Public Works really doesn't want responsibility for doing.

Mr. Romero said he had staff review the time sheets for these events, and there were 5-6 Parks people assisting the Special Events crew and this will continue.

Councilor Ortiz clarified that the scheduling of the parks will be under the Parks Division in Public Works.

Chair Heldmeyer asked if the Administrative Services Department Director position currently exists.

Mr. Buller said apparently it exists, and is a vacant position, but was never abolished. He said currently, these three divisions have gone to the Deputy City Manager, but it doesn't work well to have Divisions reporting to the Deputy City Manager. He said the ASD Director is a good position, but he is unsure we would want to fill it with a new person, and that could be done with one of the division heads or such. He believes it needs to be there for the structure to be complete.

Councilor Ortiz said Public Utilities Director is vacant as well and asked if this position and the ASD Director position are funded in the departments.

Ms. Raveling said the positions are funded, noting the ASD Office Manager is not funded because Terese Prada was moved back to Parks.

Councilor Ortiz asked about CVB, noting that the new Director will be making more money than the City Manager. He said Councilor Bushee asked him to ask when there will be discussion about that position and new job description for that position, given the amount of money which was given to that position administratively.

Mr. Buller said it doesn't fall naturally into any Committee, but perhaps it can be put on the Finance Committee as an information item.

Councilor Ortiz said he has particular concerns about the operation of the facility once it is built, and he wants to be able to probe the new person on what perspectives he brings.

Mr. Buller said he will start on June 4th, so it could be heard by Finance sometime in June.

Councilor Wurzbarger asked, for clarification, if the ASD Director position is funded, and if so, why we want this position. She said it can be deleted and it isn't in the budget.

Mr. Buller said it doesn't make sense to make these three divisions departments, which is the next alternative, and these were orphans. He has no problem with deleting the funding for this position.

Chair Heldmeyer spoke about long range planning and moving planners together and such. She read from page 50 of the packet which discusses what Long Range Planning does, including the gathering and continuous updating of data. She said most cities do have this kind of information in its economic development area. There are two people in Long Range Planning who are basically devoted to transportation issues, historic which will stay with Permit & Development Review, and there are three other long range planners, but a lot of what they do is related to what happens in land use. She asked if thought was given to parceling out these duties, rather than "dumping" them in one place as a whole.

Mr. Buller said thought was given to this issue. He said breaking up this group which has had a history of working together didn't make as much sense as bringing them over to work with all the planners. He said the assumption in this reorganization chart was to be the least disruptive as possible, but would respond to the Governing Body's interest in moving all planning functions together, so he just took all planning functions and put them together.

Chair Heldmeyer said it is impossible to put all planning functions together, because every department should be planning, and asked Mr. Hiatt to speak to this.

Jack Hiatt said he agrees with Mr. Buller, and thinks this would be problematic. He said they can be moved to the newly formed department which has other functions, and believes it is right to take them all. He presumes the MPO is going as well, which has two positions, which makes sense. He has no objection. He noted that he coauthored the memo today with Reed Liming.

Mr. Hiatt asked, if the department is renamed, that it just be called the Land Use Department.

Councilor Wurzbarger would like, as part of this transition, to look at what products Long Range Planning should be doing and using Santa Fe Trends as an example. She would like to redefine what kinds of products we really need from Long Range Planning or the land use group which goes to the policy group we are calling Housing and Development. She is concerned in view of the list of current and long term projects.

Chair Heldmeyer said there is a motion and second with a suggestion that we look only at this structure and maybe work on the names a little bit.

Galen Buller said, "Could I, just for clarification, maybe a couple of things that were raised, but are maybe confusing when you look at this chart as the basis of the motion. Under what I think we're asking maybe to be called Land Use Department, it says with Historic Review. There is a

memo in your packet from Jack that says Historic Review would be made a division under the Land Use Department, so just to be clear about that, would be one. And then the second is that there is an asterisk next to alternative energy that says or under ASD, and we would take that out. It's not under ASD, it's under this Housing and Community Development. Then the third would be that Special Events is under Parks and it doesn't really say this in the org chart, but that's what you're saying. I just wanted to be clear about those things."

VOTE: The motion was approved unanimously on a voice vote.

36. REQUEST FOR APPROVAL OF THE CITY MANAGER'S RECOMMENDED OPERATING BUDGET FOR FISCAL YEAR 07/08. (KATHRYN RAVELING)

A. SUPPLEMENTAL INFORMATION FROM APRIL 18, 2007 BUDGET REVIEW

This information was provided at the meeting of April 30, 2007.

C. ECONOMIC DEVELOPMENT

Councilor Wurzbarger said 2005 was the last time there was a report from this Division. She asked Ms. Montoya to identify new activities on page 15 of the packet – which ones didn't exist when the reorganization was done during the past year.

Ms. Montoya said the Santa Fe Light Trail – Telecommunications Planning, UNM/BBER - Study Living Wage Ordinance Impacts and Airport Business Center Planning and Implementation are all new.

Councilor Wurzbarger asked for an update on the UNM/BBER study.

Ms. Montoya said she will be meeting with them in the next two weeks, noting they have been busy. The report will be delivered in October 2007.

Councilor Wurzbarger asked about the budget for Unanticipated Projects, and if that is the kind of thing which will be used for the Internship Program. Ms. Montoya said probably, yes. She said this is for additional things which arise when they need to do additional contracting.

Councilor Wurzbarger asked if any new companies were solicited this year by Economic Development. Ms. Montoya said she has been working with Santa Fe Studios and BTI for expansion and is evaluating what she can do to assist them – IRB, land.

Councilor Wurzburger said then since 2005, the Economic Development Review Committee has made no recommendations to the Council with respect to proposals which should be funded which is a primary function of that office.

Ms. Montoya said since she has been here, they have been looking at opportunities to create economic development for the City and opportunities to fund the Economic Development Division and ideas to create revenue for the City.

Craig Fiels said in the Fall, the Clean Air Systems was approved for a \$300,000 combined grant.

Councilor Wurzburger is very concerned about the projected cash analysis on page 218 of the budget, noting there will be only \$688,000 in the fund in 2008, but the need is about \$1.2 million. She asked what staff has done to address this issue, noting there are no projections of increased income, and we are rapidly spending existing funds.

Ms. Montoya said \$300,000 was used for the Affordable Housing Department for a master plan, and approximately \$200,000 was spent in the past for other items besides economic development – traffic lights and roads.

Ms. Raveling said Councilor Wurzburger is just looking at the economic development fund, and not the money from Tierra Contenta fund which is a different fund.

Chair Heldmeyer, referring to page 218 of the budget, said there is a budgeted expenditure for a \$70,000 vehicle.

Ms. Montoya said they requested two vehicles, which would come from a grant for \$100,000 from the State which must be spent before the end of 2008, noting they probably only need one vehicle.

Chair Heldmeyer asked the other plans for the money.

Ms. Montoya said it will be used to supplement any other needs, commenting that they have only discussed a vehicle.

Mr. Fiels said the grant of \$100,000 was received from the Legislature to be used for the City's economic development services.

Councilor Wurzburger said those funds weren't appropriated to purchase a vehicle, and understood those funds were to be used to do economic development.

Mr. Fiels said this would enable staff to do economic developing, noting this is the only Department in the City which doesn't have a vehicle, and staff has to use their own vehicles.

Councilor Wurzbarger said two years ago, there were three positions, and with this merger there are now eight positions, including one which will be changed with the reorganization. She noted three positions are vacant, but the total funding for those positions is about \$585,000. She has difficulty in spending \$600,000 to spend \$600,000. She wants to return to when Economic Development was where the majority of the money was being spent in the community and not on staff and other costs.

Responding to Councilor Wurzbarger, Ms. Montoya reviewed the positions in Economic Development, noting there are only two Senior Planner positions which are vacant. The Project Specialist position was turned into an office manager, and there is no Project Specialist in the Department. She said there is an Office Manager, but there is not an Executive Administrator.

Responding to Councilor Dominguez, Ms. Montoya said the Enterprise Work Force Division Director has been with the City for one month. With regard to Clean Air Systems, Mr. Fiels said it provided a report, and an economic development plan which outlined the job creation and retention it would bring to the community, but doesn't recall the numbers, but can provide those. Clean Air Systems has been in Santa Fe for more than ten years. He said Clean Air Systems applied for an Economic Development loan and grant in 2000, and it was approved, but it didn't take advantage of it until the past year.

Councilor Dominguez asked, in general, how much money the Economic Development Department has generated for the community. Mr. Fiels said he can research and provide this information.

Councilor Calvert noted there is a Director, Assistant Director, Administrator and an Office Manager, which seems to be top heavy with "chiefs."

Ms. Montoya said the Department was set up to have the Director over the Arts Commission, the CVB, the Civic Center and the Economic Development Division.

Councilor Calvert asked, given that things are changing and are somewhat in flux, where is the Arts Commission. Ms. Raveling said it is in Community Services.

Chair Heldmeyer said the reasons there are questions about what is new, is that some of these programs either run themselves, or they have been contracted out for someone else to run, and our staff's responsibility is overseeing those contracts, such as the Incubator, Small Business Loan Fund and such. She asked if there is a breakdown of how much of what she does is overseeing other contractors and how much is generating new initiatives.

Ms. Montoya said she spends about 60% of her time working on contracts and 40% on new initiatives.

Responding to the Chair, Ms. Montoya said she is waiting for materials from Ms. Zacher, because they want to do an internship program here at the City. They will be providing an

application to run that program. She said she has also been approached by SED Jobs for Progress, which also has an internship program which is funded through the State and Federal Departments of Labor and they also could provide internships here at the City.

Chair Heldmeyer asked if any of those are set up for the summer. Ms. Montoya said they have a meeting with the SER group next week about this, noting it could be in the summer or any other time.

Chair Heldmeyer recalled from the old internship program that the problem is that the kids are available in the summer. Ms. Montoya hasn't heard from SFDI yet on what they will be moving forward, and hopes to hear very soon.

Chair Heldmeyer asked Ms. Montoya what she sees as the most successful initiatives which she has "put on the plate" since she has been Director.

Ms. Montoya responded that there has been a lot of interest in different pieces of property here regarding businesses, and where most of the activity happens. She said they have been building "roads for opportunities" for different businesses here in the City and to do a lot more retention and expansion. The Department has definitely been short staffed due to the issues with the Planners, so she is fulfilling internal obligations and looking at future opportunities.

[Councilor Wurzburger's remarks here are inaudible.] Mr. Fiels said staff came back to this Committee with the requested scope of work, and the Chair recommended moving forward to develop the RFP. The RFP was issued, closed last Friday and one proposal was received. At the direction of the Chair, he emailed Councilor Wurzburger the scope of work, as well as leaving a phone message for her in this regard, and to take any input she would give.

Chair Heldmeyer asked for a copy of that email.

Councilor Dominguez said, with regard to work force development, there already are organizations in the community doing internships, job placement and work force development. He asked the rationale for that position, or keeping someone in that position for that function, if to some degree it is already happening – where is the justification.

Ms. Montoya said the position is called Enterprise Work Force Development Division Director, but that position was unofficially changed to Community Economic Development Division Director during the transition under the previous City Manager. However, it was never sent to HR to be changed officially.

Councilor Dominguez said then the title is something different based on the function of that individual. Ms. Montoya said this is correct. This person works in community economic development.

Councilor Wurzburger is uncomfortable, given the finances, in moving forward to fill any

vacancies in Economic Development, and would like to come back and look at the positions as a part of the budget process and to direct the City Manager that the vacancies may not be filled, and we will need a clarification of the scope of work of staff, and a cost/benefit of how much needs to be spent on staff to give away how much money and to do what kind of technical assistance – we really need a detailed work plan with results.

MOTION: Councilor Wurzburger moved, seconded by Councilor Dominguez, to direct the City Manager in the budgeting process to eliminate the vacant positions in Economic Development, and to come back with a clarification of specific roles and responsibilities of who is left, including a six-month plan for actual results for this Department and how it relates to the Economic Development Plan.

DISCUSSION: Councilor Dominguez also wants to know the dollars generated.

CLARIFICATION OF THE MOTION: Mr. Buller asked if we are talking about the reorganized division.

Councilor Wurzburger said yes. The reorganized division would not have the two vacant Planner positions filled this year. She said HR is showing seven positions available to Economic Development, and if this is true, then there would be further reductions. However, Ms. Montoya has said there are only two vacancies and this would be the essence of the motion.

Chair Heldmeyer said she now recalls the RFP did come before this Committee, and she did direct staff to take it to Councilor Wurzburger because it was of particular interest to her.

Councilor Wurzburger said, "And I dismissed it then. I apologize for that. That's why I asked the question of what's the status. Now I know the status, but we'll see it again."

VOTE: The motion was approved unanimously on a voice vote.

Councilor Ortiz asked Councilor Wurzburger the timeline for bringing this back. Councilor Wurzburger responded during the budget process which is between now and June.

D. PLANNING & LAND USE

Postponed to 5/10/07.

E. ADMINISTRATIVE SERVICES

MOTION: Councilor Ortiz moved, seconded by Councilor Wurzburger, to approve the Administration Services budget, with the exception that the position which is currently funded will remain in the organization, but will become unbudgeted, and that Finance provide a running tab on how much money that gives us.

CLARIFICATION OF MOTION: Councilor Ortiz said his motion is to approve the budget for Fleet, ITT and Risk Management, and to unfund the ASD Director position, and that we get an accounting of the cost savings.

Councilor Calvert asked Mr. Fiedler the status of the building audit and retrofits and such.

Richard Fiedler said there is a two phased approach happening right now – a needs assessment and master plan which is about future needs for space and staff, and an energy audit which is about conservation of energy and resources. He said building renovations are under capital improvements when facilities require major modifications.

Councilor Calvert asked who makes the recommendations to do the projects. Mr. Fiedler said, depending on building needs, it comes from him or from the user facility.

Councilor Calvert asked how he coordinates with Public Works. Mr. Fiedler said he only makes recommendations on City Hall, and the other facilities requests are made by specific departments or divisions and they are more aware of their needs as far as their facilities and equipment. Responding to Councilor Calvert, Mr. Fiedler said there is a maintenance program in place and cleanup crews and such.

Councilor Wurzbarger asked, in terms of the different locations, how often we re-analyze those spaces. Mr. Fiedler said this is done by the City Manager.

Councilor Wurzbarger said there have been so many changes that she wants clarification of our current physical needs.

Chair Heldmeyer said some employees need to be in vehicles most of the time, such as those in inspection and enforcement, while others need vehicles only periodically. She asked if we have looked at a program to have a set of vehicles available in cooperation with transit and parking.

Mr. Fiedler said Fleet operations is a maintenance organization and there is no pool of resources. At one time there were 5-6 vehicles which were “loaners,” and managed through the Purchasing Department, but those vehicles have been assigned and currently there are no unassigned vehicles.

Chair Heldmeyer suggested that, given the number of strategic planning initiatives, perhaps this is an idea whose “time has come back.” She said it is an inconvenience for employees who park at Fort Marcy to do something job related during the day.

Mr. Buller said this is being done on an informal basis, and employees have worked out arrangements, but this can be formalized.

Councilor Calvert said we are looking at fleet planning, which falls somewhat to Mr. Romero, although there is no formal function, and spoke about what Mr. Romero is doing.

Mr. Buller said he was hoping the Alternative Energy person could examine this, and that will depend on the skill set of that person, but he will be looking at this.

VOTE: The motion was approved unanimously on a voice vote.

F. FINANCE

Postponed to 5/10/2007.

G. HUMAN RESOURCES

Postponed to 5/10/2007.

H. FIRE

Approved at the meeting of April 30, 2007.

I. PUBLIC WORKS

Councilor Ortiz asked why there are two Information Specialists in the Department.

Mr. Romero said one is funded from Parking and one is funded from Transit. He said Transit has a lot going on right now, noting they work together.

Councilor Ortiz asked if there is a need to have two, given the increase in public relations staff under the City Manager's Office, and elsewhere.

Mr. Romero said the two people are very busy, noting they do most of their work with Mr. DeGrande and Mr. Bulthuis. They also do work, for example, if something happens with the project currently at Rodeo/Richards and communicate with the press.

Councilor Ortiz said he has received 5-6 emails in this regard, and ½ of those have come from Laura Banish in the City Manager's Office. He asked if we have the work load to fund two positions in Public Works.

Mr. Romero explained that in most of these cases, the information is prepared at Public Works and sent to Ms. Banish who then sends them out, but they come first from Public Works.

Councilor Calvert said the Transit Division, especially since they are transitioning the Santa Fe Ride Program to a City operated Program, will need that person during this time.

Mr. Romero said Joyce and Sandy are very busy every day with everything which is happening with Parking, the Civic Center, Railyard, and such. Another factor is that Joyce is having triplets, and there will only be one person for a while after that.

Mr. Hon said a request was submitted for an expansion position for another Information Specialist in the Parking Division, because Ms. Bond will be out for a year or more once she gives birth to triplets. He said they are also opening two new facilities which will need a lot of information going out to the public to try to establish the parking patterns and the transportation circulation system from the Railyard to downtown. He said they really need this person in her absence. He said Ms. Bond does a lot of work for the Division which doesn't go through Ms. Banish, such as flyers, newspaper advertisements and such for the additional parking needs, to notify the public when the streets are closed.

Responding to Councilor Ortiz, Mr. Hon said the position was funded. Ms. Raveling explained the funding will come from the Parking Enterprise Fund, and not out of General Fund. Mr. Hon said it is a classified permanent position.

Councilor Ortiz asked why this isn't a temporary position, noting Ms. Bond will be returning. Mr. Hon said she will come back. However, the reason a classified permanent position was requested, is because if Ms. Bond didn't return for some reason, that position would be needed. Councilor Ortiz said the person would just fill Ms. Bond's vacant position. Mr. Hon said it was also felt that the amount of information needed to get to the public to establish the parking patterns at the two new facilities was going to be overwhelming for one person to manage.

Councilor Ortiz asked the number of expansion positions which are requested from Public Works.

Ms. Raveling said there were no expansions requested from the General Fund. Mr. Romero said two were requested for Parking. The other expansion positions are for Transit and include two Customer Service Representatives, Two Call Center Supervisors in Paratransit, for the Santa Fe Ride Program. Parking requested an Informational Specialists, a Fuel Collector and Four Parking Attendants for the new Railyard Parking garage.

Councilor Ortiz asked why would we fund positions for the new Railyard garage because we won't get them until mid-term. Mr. Romero said the garage will be opening in October. He said it isn't designed to open until the building on top is complete and the garage can be vented. The current schedule is to open in October 2007.

MOTION: Councilor Ortiz moved, seconded by Councilor Wurzbarger, to approve the Public Works Budget, with the amendment that on the budget for the expansion positions, that the Department come back with a contingency plan to have those expansion items be term employees and not classified, so they can demonstrate potential savings in the budget by doing that.

CLARIFICATION OF MOTION: Chair Heldmeyer asked if the motion includes the permanent Parks employees, or if he is just talking about the Parking employees, noting there is expansion in Parks as well on page 192. Ms. Raveling noted there was none recommended.

Mr. Romero said the expansion in Parks was to maintain the Railyard Park, but he is unsure they will need those people in this fiscal year. At midyear he will evaluate the status of construction to completion.

Councilor Ortiz said we can only consider the City Manager's recommendation, unless we want to add what the Department has requested.

CLARIFICATION OF MOTION: Ms. Raveling asked if the motion includes Transit. Councilor Ortiz said no, it does not include the expansion for the Paratransit Program.

Mr. Hon asked the term for the expansion position.

Chair Heldmeyer said filling the temporary position shouldn't be a problem.

VOTE: The motion was approved unanimously on a voice vote.

J. COMMUNITY SERVICES

2. GCCC – Rates

Liz Roybal, Director said more than 7,500 people attended the Home Show, and they made \$3,000 on food service.

Responding to Councilor Ortiz, Mr. Ytuarte said with the rate increase there will be a differential of \$60,000 to \$70,000, instead of \$150,000 to \$200,000. He said the Advisory Committee has approved the rate increase. However, there has been no input from the customer base.

There was lengthy discussion with regard to why the same services at the GCCC cost more than those same services at other City facilities. Ms. Raveling said the rationale was because the GCCC is a nicer facility with better equipment, so the rates should be higher, and to keep the other facilities affordable so people could afford to use those facilities.

Ms. Roybal explained that people pay one admission fee at GCCC, and then they are free to use any of the facilities, including the pools, the ice rink, the indoor track and so forth. Mr. Ytuarte pointed out that the pools are larger and there are four pools to be maintained and operated.

Councilor Ortiz believes that the same services should be at comparable costs in all City

facilities. He said raising rates just reduces the subsidy, and will in no way provide all of the funding which is needed.

Councilor Dominguez said because it is an Enterprise, GCCC is charged for services provided by other City departments, and this helps to create the deficiency as well. He asked what be the result if these charges were waived. Mr. Ytuarte said the charges to GCCC are in excess of \$260,000, and would result in a lesser subsidy.

Councilor Ortiz pointed out that if this wasn't an enterprise fund, those charges wouldn't be made.

Chair Heldmeyer said many City activities are done by different departments at the GCCC, for which GCCC receives no compensation, but it is still expected to function as an enterprise fund. Ms. Roybal said about \$68,000 in waivers for this purpose was pardoned to other departments and divisions, as well as schools.

Ms. Roybal said she doesn't want to raise rates, but as a manager she believes this needs to be done in order to be financially responsible, because it is an enterprise fund. She said the question arises as to whether GCCC should be in General Fund status.

Councilor Dominguez said then GCCC waives fees to a department using the facility, but the department doesn't always waive the cost to GCCC for providing services. Ms. Roybal said this is correct.

Mr. Buller said he has asked Bill Tomlin to look at a more comprehensive approach to fee waivers throughout the City, because it does occur in other departments.

Councilor Dominguez said there was a desire or a need to have a recreation center like GCCC for the youth. He said the daily drop-in rate isn't changing for children, youth and seniors. He asked who is really impacted by the rate increase.

Responding to Councilor Dominguez, Ms. Roybal said the rate increases will not be imposed on children, youth and seniors, but an 8% increase is proposed for all other users.

Councilor Dominguez noted in 2006/2007, the approved rate for a child was \$109, and the proposed rate is \$118, so there is a slight increase. Ms. Roybal said there is a slight increase, but there is no proposed increase in the daily drop-in rate, noting that most kids pay the daily drop-in fee and very few buy the package deal. Responding to Councilor Dominguez, Ms. Roybal said the increase is designed to move the impact away from children and youth

Councilor Dominguez asked, in terms of the subsidy, if the rate increase would result in a less heavy hit on the General Fund. Mr. Ytuarte said it would.

Councilor Ortiz reiterated his concerns about the inequities in costs between GCCC and the other City facilities for children and youth.

Mr. Ytuarte said the fees in place are the same fees which were in place when the facility opened seven years ago, noting the fees for children and youth were reduced by \$1 a year ago.

Councilor Ortiz noted the adult six-month pass at Fort Marcy is \$160, and asked the cost for a pass for a child at Fort Marcy. Ms. Roybal said she doesn't believe they sell a youth pass, and they would just pay a drop-in fee.

Councilor Ortiz asked what would happen if this was changed from an Enterprise Fund, noting that it has never generated sufficient fees to be self-sustaining.

Ms. Raveling explained that it can be a Special Revenue Fund, because an election was held on the 1/16 GRT and that has to go into a separate fund.

Councilor Ortiz asked the practical result of doing this. Ms. Raveling said it would be a lot of work because all the assets would have to be moved, and would become governmental assets. She said the \$260,000 to the General Fund would be lost. Councilor Ortiz noted that would be the shortfall if there was no rate increase. Ms. Raveling said the General Fund would have to be cut by \$260,000. Councilor Ortiz noted that two director positions at \$90,000 were just cut from the budget.

Councilor Ortiz asked how long this would take to transition from an Enterprise Fund to a Special Revenue Fund. Ms. Raveling said they could just incorporate it into the budget. She said this would change nothing other than to lose the money to the General Fund, and it is simply an accounting methodology.

Councilor Ortiz asked if equipment wears out if it can be rotated to any of the other facilities as an enterprise fund. Ms. Raveling said it would have to be sold to another non-enterprise, but it could be transferred if it is a special revenue fund.

Councilor Ortiz asked staff to speak to this possibility. Ms. Roybal said this was considered by the Advisory Committee which recommended that it be moved to the General Fund. Ms. Raveling said that can't be done. Ms. Roybal said she didn't understand that at the time, nor did the Advisory Committee. She said the GCCC will never, never pay for itself. We have been fortunate to get money from the Legislature to maintain the fitness equipment, which is a very high use area.

Ms. Raveling said the other reason it would need to be a special revenue fund is because we are using the ½% CIP, and that is money on which there are restrictions as well.

Councilor Calvert noted this action will result in an even larger deficit.

Councilor Ortiz said the fees could be increased across the board, and we could do other things as well to generate funds.

Responding to Councilor Calvert, Mr. Ytuarte said a study was done when the fees were increased, and there was less participation, but the revenue increased drastically. He said they are conscious that there is a point where the public, especially youth, will decrease participation and the revenues will drop as well.

Councilor Dominguez agrees with Councilor Ortiz with regard to equity in fees. He asked how changing the status will affect the operation. Ms. Raveling said it will be just like it is now, and will be in a separate fund.

Councilor Wurzbarger said we need more money to run GCCC, and said we need to create a revenue stream without impacting the people who need the service. We could go for equity, and increase fees across the board for all facilities. Rather than debating what it is called, she would rather spend time trying to figure out how to get the money. She spoke about the ongoing issue of subsidy.

Councilor Heldmeyer said this facility grew "like Topsy," in the development stages and the reason the final cost was twice what it was originally supposed to be. She said because it was a very expensive facility, the promise was made that it would pay for itself, and the reason it was made an enterprise fund. It was a fiction at the time and it is a fiction now. She said because the promise was made, a GRT increase was approved by the voters who were told it would allow the facility to pay for itself. People voted for it on the basis of that promise.

Councilor Heldmeyer is hearing a lot of discussion about this facility and the general thrust of fitness, especially for youth in the City. She said the Fore Kids Fund is supposed to help kids who can't afford the facilities, but that money has never been administered in a meaningful way. She is hearing a lot of questions being raised about the GCCC, youth recreation and recreation in general. She doesn't believe we are ready to make a decision this evening.

Councilor Heldmeyer asked the Committee to give direction to staff as to what information is needed to make a decision about the recreation component of Community Services.

Councilor Dominguez said after hearing the discussion, he isn't opposed to moving the enterprise to a special revenue fund.

Councilor Wurzbarger said the objective of that is it removes the guilt, but it doesn't give us more money.

Councilor Ortiz said the objective is that this particular move saves approximately \$260,000 of moneys which are being extracted from its operation and going into the General Fund. This means we have to find this money elsewhere in the General Fund, but we don't have

the artificial fiction that this facility is treated as an enterprise fund and are billed for various functions. He believes they can develop a cost differential for those amenities in its facilities which are different from amenities in other facilities. He reiterated that he believes the costs should be the same throughout all of the facilities. If it costs more, then we need to think about that, but some costs should be uniform throughout the City. He doesn't believe it is about guilt, but it is clear direction to treat all the same, and if not, why.

Responding to the Chair, Ms. Raveling said the General Fund supports the other facilities, and the level of revenue those bring are small compared with the costs to operate.

Councilor Wurzburger said we need to look at a different rate structure for each of the facilities in consideration of those special things which you can only get at GCCC.

The Committee gave direction to staff as follows: (1) explore a common rate structure for all recreation facilities; (2) define a differential rate structure for special amenities which occur at each of the facilities; (3) verification or quantification of the actual amounts which would be saved to GCCC if it became a Special Revenue Fund, (4) and what hit there would be to the General Fund if it became a Special Revenue Fund.

Responding to the Chair, Mr. Ytuarte said in the past there was an application process for the Fore Kids which was universal both to the Golf Course and the GCCC. He said in the new fiscal year, they will be receiving only ½ the funding which was received in past year. He said they are going to implement a policy that only nonprofit organizations which have youth as their clients will have kids participating in the Fore Kids funds.

Action on this item was postponed to 5/10/07.

1. Seniors

Councilor Ortiz said his perception of Seniors in the past three months is that it has improved.

Chair Heldmeyer said under the new method of bookkeeping under the Area Agency on Aging [AAA], there was still discussion about how to allocate administrative costs vis a vis the centers which the City operates for the County, and asked if that has been resolved.

Ms. Rodriguez said it has not. She said last week the AAA held a retreat in Taos, regarding the funding available for the next year. AAA isn't telling us how much money will be available, and are saying the increases over the base budget will not be what we had anticipated, and we won't get that information until September. She said the funds are allocated from the Legislature, but because of the State's process of allocating and contracting the funds, it takes until September to get the funds to the City. It will take a lot of work to get handle on the funding.

Chair Heldmeyer said in the meantime she understands the County says the Eldorado Center will be open five days a week beginning July 1st and asked who will be paying for that.

Ms. Rodriguez said the only commitment to Eldorado is one meal per week to the Senior Center which will now go to the Canon Patty Adams Center, and it is incorrect to make any other promises. She said Commissioner Valdez is very aware of the situation.

Chair Heldmeyer is concerned about how to proceed in view of the uncertainty of funding for Senior purposes. She is concerned that promises are being made by others. She doesn't want to pay for a County center unless we are being reimbursed sufficiently from the County.

Councilor Wurzbarger said she has no further questions on the Senior budget.

Ms. Rodriguez said the only thing we can do is to make it clear that the City has made no promises.

Chair Heldmeyer wants reassurance from the City Manager that the City will hold the line.

Mr. Buller said it is his intent to stay within the budget, and believes this is holding the line.

Responding to the Chair, Ms. Rodriguez said the best information she can provide is that she has developed a budget based on what was anticipated from last year, increases have been requested in personnel, but were not recommended by the City Manager, and we are looking at a flat budget next year, but we are hoping for additional funds from the State.

Ms. Raveling said the budget isn't flat, because there is an increase in payroll.

Councilor Ortiz observed that if we don't approve the budget, some of our State grants will be in jeopardy.

Ms. Rodriguez said considering that the State grants have not been announced, nor approved, she doesn't believe there would be a problem with that at this time.

Responding to Councilor Calvert, Ms. Raveling said this is the best estimate based on what we've received in the past, and that's all we can do. There is no formal contract from the State saying how much we will receive.

MOTION: Councilor Calvert moved, seconded by Councilor Ortiz, to approve the budget as presented.

FRIENDLY AMENDMENT: Councilor Heldmeyer would like to add footnotes to the motion as follows: that the City offer no more services to the Eldorado Senior Center than we are currently

offering until we know the source of the additional funds, and when AAA finally makes its funding recommendation, if it calls into question portions of the budget that Community Services will immediately come before the Finance Committee with budget adjustments as necessary. **The amendment was friendly to the maker and the second.**

RESTATEMENT OF THE AMENDMENT: Councilor Ortiz, as the second to the motion, restated the amendment as follows: This motion to approve the budget is made insofar as our best estimates of what we will receive for providing both City and County services, and if, for whatever reason, there are additional County services the City is being asked to provide, that Senior Services has to come back to the Finance Committee on where those additional sources of revenue will come from.

Chair Heldmeyer said it isn't just additional County services, it is also that she doesn't know what the City will get from AAA.

ADDITION TO RESTATEMENT OF THE AMENDMENT: Councilor Calvert asked that staff and administration be asked to talk with the State to see if they can expedite their estimate of the funding.

VOTE: The motion was approved on a voice vote [Absent: Councilor Wurzburger].

K. CITY OF SANTA FE GOVERNMENT TELEVISION CHANNEL

Postponed to 5/10/07.

L. WATER

Councilor Ortiz thanked Mr. Martinez for being very thorough in providing the requested information. He said it appears the City has paid \$118,000 to the Rodey Firm for "Defense of Water Rights Transfers." He said there has been concern that we haven't been getting water rights transfers, and asked an explanation of these charges.

Mr. Martinez said the majority of the work by Rodey was for the water rights acquisition program and the County water rights transfer monitory program, noting Rodey works "hand in hand" with Lee Wilson & Associates. He said Rodey currently performs the legal title review of all water rights tenders which have been deemed valid by Wilson & Associates, and then prepares the positive due diligence letter upon legal acceptance and receipt of the review fee. He said although City Legal could do this, it isn't clear whether they have the time to do these functions quickly.

Responding to Councilor Ortiz, Mr. Martinez said Rodey has cleared no water rights for the City at this point, but they have been working on some.

Councilor Ortiz asked if the City Manager or the City Attorney has audited the bills to see if we are getting work under this contract.

Mr. Buller said an audit has not been done. However, the other transactions they examine are developer-brought water rights to ensure those meet the Water Rights Transfer Ordinance, and where much of the time was spent early on. He will take a look at the billings and report back.

Councilor Calvert said there was an informal analysis of the water rights and needs in the near future, and basically the Northwest Quadrant zeroed out any balance. If we continue to approve affordable housing projects, we will need to purchase more water rights, and the current budget wouldn't be sufficient to meet those needs. He suggested using funds from the Avistar settlement for water rights purchases.

Responding to the Chair, Ms. Raveling said the repayment to CIP is built into the finance plan and one isn't replacing the other, and the \$1 million from Avistar is new money into the Water Division.

Councilor Ortiz asked Mr. Martinez if he can achieve efficiencies in the operation of the Water company, and asked about vacant positions.

Mr. Martinez said there have been changes which currently are underway. He said vacancies include Engineering Supervisor, Division Director. He said the changes need to be done before looking at real efficiencies within the Sections.

Councilor Ortiz asked if there are plans to do an efficiency audit of the positions in the Water Division, noting that since the rates were changed, the Division has been given free reign in terms of positions, expansions and request because it is an Enterprise Fund which always has been in the black. He believes it would be beneficial to see if the budget can be tightened.

Mr. Martinez said they did tighten the budget, and there were few requests for expansion, noting for this year there are none. He said they are planning to get the expansion positions trained and prepared for the BDD and other assets of the Division, and they are looking at efficiencies in personnel. With regard to task efficiencies, they are always looking at new equipment, methods or processes which can help to make the system more efficient and use less energy and/or resources to get the job done. This includes all three divisions – Engineering, Transmission & Distribution and Source of Supply.

Councilor Ortiz asked which of those has the majority of the "old PNM" people.

Mr. Martinez said both sections have quantities of the older PNM employees, some with 35 years, but within the next five years, most of those employees will retire and leave the system. It is up to the Department to prepare the younger employees to take over those positions at that point.

Councilor Wurzbarger asked if there is a more efficient and effective way to seek water rights, other than hiring a lawyer to do it, and where does water rights acquisition fit in the organizational structure other than outside consultants.

Mr. Martinez said it is in his Division, noting Del Lyons has been hired in Water Resources to work on this task. Mr. Lyons is in direct communication with anybody who wants to sell water rights, noting some are too expensive and others are in our range.

Mr. Buller said Mr. Lyons works with Mr. Harwood as a team.

Councilor Calvert said some of the employees at the Treatment Plant will be going to the Buckman project.

Mr. Martinez said they probably will lose some employees to Buckman. The goal has been to hire apprentices over the past four years, and prepare them to do this in 2008, but that has been delayed. Some individuals are now at Level 4, and three new apprentices were hired last year, and he is developing those people.

Responding to Councilor Calvert, Chair Heldmeyer said not all employees at Buckman will be at a Level 4. Mr. Martinez said the goal is to have six Water System Level 4 Operators at the Canyon Road Facility and six additional Level 4 Operators for the Buckman Direct Diversion, including an Operator on-shift to run the facilities at all time. He said "we will get there by then."

Chair Heldmeyer said the Financing Plan for BDD provides that when it comes on board, the City will be raising rates on a regular basis to pay for what happens at Buckman. She asked if the approved rates will meet that task, or will we need to revisit those.

Mr. Buller said it will be necessary to revisit the rates because that Finance Plan envisioned small, but continuous rate increases beginning in the upcoming fiscal year. He said when we receive the responses to the RFP we will know the real costs for design and construction, and we need to address that if it is over the estimates.

Chair Heldmeyer pointed out that there has been a shift in the anticipated burden from the County to the City for the O & M costs, and there could be further burden shifting in the future.

Mr. Buller said the initial burden shifting won't take effect until 2010, so there is a little time to work into that.

Councilor Calvert asked if Mr. Lyons is working with others to generate a small amount of hydroelectric power by the treatment plan at the Reservoir, so we could supply some of our own energy for the treatment plant.

Mr. Martinez said when Mr. Lyons was hired that is one of his long-term goals – to

establish a hydroelectric facility somewhere. He said we are looking at rehabilitating the old hydro plant, and he has asked Mr. Lyons to look at that with an eye to providing hydroelectric power to our facilities. It is early, but it is a possibility.

Councilor Ortiz asked about funding for Public Communications and On Call Water Resources Planning & Engineering, noting the \$90,000 is listed as "to be determined."

Mr. Martinez said the Public Communications line item was established in the previous fiscal year, and wasn't utilized, but it is there in the event it is necessary to issue a positive word on the division.

MOTION: Councilor Ortiz moved, seconded by Councilor Wurzbarger, to approve the Water Division budget, with the exception that the Public Communications line item will remain, but to delete the \$50,000 in funding.

DISCUSSION: Responding to Councilor Dominguez, Mr. Buller explained that this budget probably will never be spent, but it is there in the event it is needed.

Councilor Ortiz clarified that staff will conduct an audit on the legal expenses for water rights acquisition and report back to Finance.

VOTE: The motion was approved unanimously on a voice vote.

37. MATTERS FROM THE COMMITTEE

None.

38. ADJOURNMENT

Councilor Ortiz moved, seconded by Councilor Calvert, that the Finance Committee continue its discussion of the budget, and complete all Departments on Thursday, May 10, 2007.

DISCUSSION: Councilor Ortiz said since there will be only one Council meeting after May 10, 2007, we need to consider the possibility of a special meeting to adopt the budget. Ms. Raveling said it could also be adopted on May 30, 2007, noting there is another Finance Committee meeting on May 16, 2007. She will check on availability of the Council Chambers.

It was the consensus among the Committee to consider a backup date of May 8, 2007.

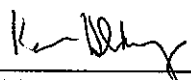
VOTE: The motion was approved on a voice vote [absent: Councilor Wurzbarger].

Councilor Calvert would like to have a discussion at the next meeting on the different sources of revenue, including the initiatives being considered.

Councilor Ortiz said that can be done under General Government, pointing out that it hasn't been approved.


Chair Heldmeyer said at the next meeting the Committee will be considering recreation rates, those Departments not yet discussed, City of Santa Fe Government Television Channel, a vote on Departments discussed but not voted upon including General Government, and under General Government a discussion of new revenue sources.

The meeting was adjourned at 9:10 p.m.




Karen Heldmeyer, Chair

Reviewed by:



Kathryn L. Raveling, Director
Department of Finance



Melessia Helberg, Stenographer